



Memo

Minnesota Department of **Human Services**

---

**DATE:** September 30, 2015

**TO:** County Human Services Agencies  
**Attention: Fiscal Supervisors and other interested staff**

**FROM:** Chris Ricker  
Health & Human Service Finance Manager  
Financial Operations Division

**SUBJECT:** Third Quarter 2015 Fiscal Memo

It's been a busy quarter at DHS and below are fifteen topics for your review regarding human service fiscal and reporting issues.

**1. Invoicing for DHS Central Office Expenses related to TCM, Rule 5 and LCTS**

Invoices were sent out on August 27, 2015 for state fiscal year (SFY) 2015 county share of the central office expenses related to each of the respective funding streams.

**When your county pays the invoice** (not the date of the invoice or when you receive it) – you must report the amount paid as a **reduction of revenue** on the SEAGR Report. Do not claim the amount paid as an expenditure under any BRASS code on SEAGR.

*Invoice for CW-TCM* – Reduce your revenue reported in **F05** on SEAGR by the amount paid to DHS for central office expenditures related to CW-TCM.

*Invoice for CMH-TCM* – reduce your revenue reported in **F64** on SEAGR by the amount paid to DHS for central office expenditures related to CMH-TCM.

*Invoice for AMH-TCM* – reduce your revenue reported in **F31** on SEAGR by the amount paid to DHS for central office expenditures related to AMH-TCM.

*Invoice for VA/DD-TCM* – reduce your revenue reported in **F42** on SEAGR by the amount paid to DHS for central office expenditures related to VA/DD-TCM.

*Invoice for Rule 5* – reduce your revenue reported in **F66** on SEAGR by the amount paid to DHS for central office expenditures related to Rule 5.

*Invoice for LCTS* – reduce your revenue reported in **F07** on SEAGR by the amount paid to DHS for central office expenditures related to LCTS.

If you have questions related to SEAGR reporting of the invoices please contact Julie Spurgeon at (651) 431- 3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

## **2. County Share of Parental Fee Collections**

The Parental Fee Unit at DHS is currently in the process of calculating refunds due to counties. The refunds represent the county share of parental fee collections and are a reimbursement of county social service fund expenditures incurred on behalf of children on MA where DHS is assessing a parental fee. The refunds will consist of two payments. One represents the state share of collections, and the other represents the federal share. Detailed reports identifying the impacted children within each county will be mailed to county fiscal supervisors by September 30, 2015, and refunds should be received by October 31, 2015.

The invoice field code for the payments will be 00PARENTFEECOLLE. Because the invoice field code begins with 00, it is up to your county to decide if this payment should go directly to the general fund (so not to be reported on the quarterly social service fund or SEAGR report) or if you are going to receipt it into your social service fund (to be reported on the quarterly social service fund and SEAGR report).

If you have any questions related to the payments or parental fee reports, please contact Joe Jarosz, Parental Fee Unit Supervisor at (651) 431-3802 or [Joe.Jarosz@state.mn.us](mailto:Joe.Jarosz@state.mn.us). Any questions on the social service fund or SEAGR report should be directed to Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

## **3. New Invoice Field Codes**

One new invoice field codes has been established for use starting with third quarter 2015 payments.

72.MFIPTEENPARE11 – this invoice field code is for state funded expenditures related to home visits for teen parents under the MFIP program.

If you have any questions on these specific invoice field codes, please contact Jerry Medlicott at (651) 431-3781 or [gerald.medlicott@state.mn.us](mailto:gerald.medlicott@state.mn.us) and if you have any other general questions on invoice field codes please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

#### **4. 2016 Allocation Updates**

The final DD-SILS allocation is now available on CountyLink. This allocation requires June 30, 2015 data to calculate the final allocation.

The MFIP Consolidated Fund allocation has been revised. There was an error in the original allocation. The allocation also includes the performance bonus funds.

If you have any questions on the MFIP Consolidated Fund allocation, please contact Jerry Medicott at (651) 431-3781 or [gerald.medlicott@state.mn.us](mailto:gerald.medlicott@state.mn.us)

For questions regarding the DD-SILS allocation, please contact Phyllis Meath at (651) 431-3484 or [phyllis.meath@state.mn.us](mailto:phyllis.meath@state.mn.us)

#### **5. Northstar Fiscal Reconciliation Update**

We are close to sending out the Northstar Fiscal Reconciliation for Q1 2015 (January – March 2015). The first quarter Fiscal Reconciliation will be sent to fiscal supervisors by mid-October. We hope that the Q2 (April – June 2015) Fiscal Reconciliation will be available shortly after Q1 is completed.

The first few quarters' reconciliations will be done through an interim spreadsheet format until the programing is completed in SSIS. The final format was discussed at the Fall Supervisors Conference and the SSIS Fiscal Mentor Meetings earlier in September. We will also be presenting at the Statewide AMSSA meeting on November 6<sup>th</sup>.

For questions on Northstar Fiscal Reconciliation, please contact David Hanson at (651) 431-3737 or [david.m.hanson@state.mn.us](mailto:david.m.hanson@state.mn.us)

#### **6. Title IV-E Remittance Advice is now available**

Counties can now access their Title IV-E Remittance Advices through SSIS. This is set up using SSIS grids which will allow you to personalize it for your particular needs. The remittance will allow you to identify the Rule 5 Foster Care payments which are reported as revenue in SEAGR on line F28 rather than on line F01. This tool will allow you better information when tying back to the original source claims than had previously been available.

For questions on Northstar Fiscal Reconciliation, please contact David Hanson at (651) 431-3737 or [david.m.hanson@state.mn.us](mailto:david.m.hanson@state.mn.us)

## 7. Social Service Time Study (SSTS)

In response to questions coming in related to SSTS participant eligibility, I would like to provide the following information.

First—it is important that all eligible staff participate in the SSTS because we collect data that is used for TCM rate-setting purposes. That said, there are exceptions to this rule.

Pages A1 and A2 of DHS Bulletin 14-32-16, *Social Service Time Study (SSTS) Operations & Activity Codes*, cover the criteria for SSTS participation. In the “Participant Exclusion” section, it states that workers who are financed 100 percent by a direct federal grant should be excluded from the time study.

We understand there are many sources of funding that counties receive and how each county chooses to fund social workers is discretionary to a certain degree. For SSTS participation purposes, it is important to know how the workers are paid—e.g. what type of funds and whether they are state or federal. One example is the *Adult Mental Health Initiative (AMHI)* grant.

The AMHI grant is, for the most part, state funded. If the AMHI grant received by counties contained any federal funds, you would be aware of this by the invoice field codes used on the payment. If federal funds were part of this grant payment, the participant is still eligible for SSTS participation—however, the federal portion of the AMHI grant that was used to pay for this individual’s salary and benefits must be netted off the cost pool to avoid “double dipping”. We cannot ask the federal government to reimburse you for expenses that were originally funded by federal dollars.

Some counties are part of mental health initiatives that have fiscal host counties receiving the funds and disbursing them to other involved counties. With the pass-through payments made by Fiscal Host, the ability to track which portion of the payment is federal may not be apparent. In these cases, the host county must inform others in the initiative which dollars are federal so they can be tracked and netted off the SSTS cost pool when necessary.

If you have any questions or concerns about SSTS participation, please do not hesitate to contact Bridgit Olson at (651) 431-3800 or [bridgit.olson@state.mn.us](mailto:bridgit.olson@state.mn.us)

## 8. New Child Protection Worker Grant Funding

The first payment for the Child Protection Worker grant was made on July 8, 2015. This was 80% of the CY 2015 allocation. The remaining 20% will be paid early in 2016 once the performance measures are available. **Attached is a document with tips for managing the Child Protection Worker grant.** This is an expansion on the talking point document that Julie sent out to counties earlier this quarter.

If you have any questions regarding the new child protection funding grant, please contact David Hanson at (651) 431-3737 or [david.m.hanson@state.mn.us](mailto:david.m.hanson@state.mn.us)

## **9. MAXIS Interface with the Social Security Administration (SSA)**

This past July, it was discovered that part of the MAXIS interface with Social Security was not working properly. There was a problem with updating the Social Security system with STAT PBEN information, specifically, telling them that we have an Interim Assistance (IA) Agreement. Because this is a two way interface, the information received back from SSA was not updated on the STAT/PBEN panel (applications, approvals, denials, etc.). This problem occurred from mid-February 2015 through mid-July 2015. As a result, Social Security was not aware of IA agreements being sent to them during this period so they were not recovering any back pay for the state from clients that were receiving retro-active SSI benefits for the mid-February through mid-July 2015 time frame. The problem was fixed in July and we are currently monitoring the activity to ensure SSA is receiving current information.

We are also trying to re-send the data that was missed since February to try to identify clients who have received all their back pay and owe the state for the Interim Assistance they received. We are asking for your assistance to ensure a more complete accounting of any clients who have received their SSI back pay and NOT reimbursed the state for their interim Assistance in accordance to the Interim Assistance agreement they signed. If you are aware of any client(s) that fall into this category or have any questions, please contact Cindy Barnier at (651) 431-3752 or [cindy.Barnier@state.mn.us](mailto:cindy.Barnier@state.mn.us) with the appropriate case number(s) and amounts.

## **10. Child Care Levy**

In the past year there have been a number of instances where MEC<sup>2</sup> failed to make deductions from providers due to the IRS levy having an "Inactive" status. Over the past few months we found that our decentralized process of DHS receiving levies, routing them to the county where the provider was active and having counties manage the levies was confusing and error prone. As a result, beginning September 1, 2015, MN DHS Financial Operations began processing/managing all IRS and State levies (except child support).

What this means is that once FOD receives an IRS levy we will deduct from provider's payments until 30 days after we receive a levy, the levy is paid in full, or we receive a "Release of Levy" or updated levy from the IRS. Minnesota Department of Revenue levies are considered continuous, so we will continue to deduct payments until it is paid in full or we receive a "Release of Levy". As a result, FOD will have to enter updated levy amounts each day as deductions are paid. We will enter and maintain all activity related to these levies including entering provider notes with the appropriate details and adjusting/re-entering existing levies each time a deduction is made from the provider. FOD will be monitoring all IRS and state levies on a daily basis.

Counties are still responsible to enter and manage Child Support levies. If you have any questions or comments about this process change, please contact Rick Hallanger at (651) 431-3756 or [richard.hallanger@state.mn.us](mailto:richard.hallanger@state.mn.us)

## **11. New Federal Uniform Guidance**

The federal government has implemented the new guidelines for the administration of federal funds. The new regulation consolidated information which were scattered across a large number of federal circulars. The new regulation is sometimes referred to as the Uniform Guidance or the Supercircular.

The guidance provided at the Uniform Guidance includes: procurement; cost principles; cost allocation; auditing and responsibilities of a pass-through entity. Many of these guidelines affect central county operations and will need to be addressed broadly by counties. This will likely require engagement of the county auditor and/or attorneys. As such, we (DHS FOD) will be limiting our guidance to the requirement of a pass-through agency. The new regulations are outlined under 2 CFR part 200.

For federal grants which are passing through DHS to the county, DHS will make the counties aware of requirements around being a pass-through entity. If your county is “passing through” federal grants received by DHS to a subgrantee then your county is considered a pass-through entity. **Attached is a document which outlines the requirements for pass-through entities.**

DHS will be using CountyLink to provide counties with the Federal Award Identification information. This will likely be as a new page to the Fiscal Reporting & Accounting tab and will be organized by Federal Award Identification Number (FAIN). The current Invoice Field Code Bulletin (DHS Bulletin 15-32-03) has the FAIN numbers for our various grant payments.

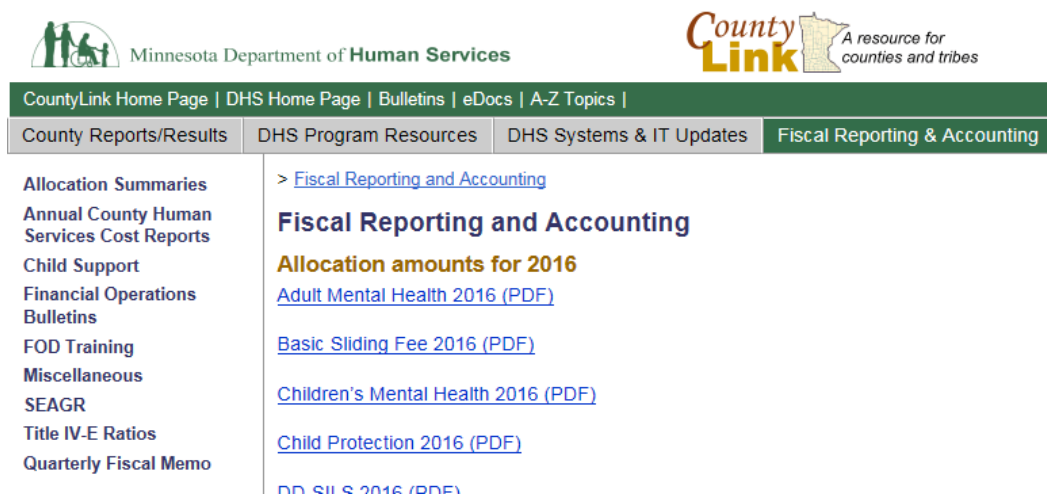
The Uniform Guidance makes clear that pass-through entities will need to do some risk assessment of grantees for non-compliance and to monitor them in a manner that is appropriate to the identified risks. Monitoring is not an audit but rather a routine review of expenditures and the achievement of the deliverables by the grantee. This may involve periodic site visits but can often be done as a desk review. In many cases this is about formalizing and tracking what is already likely happening in your county. Documentation of these activities will be a key component for complying with the new requirements.

If you have any questions on the requirements for pass-through entities, please contact David Hanson at (651) 431-3737 or [david.m.hanson@state.mn.us](mailto:david.m.hanson@state.mn.us)

## 12. CountyLink Changes

Have you been on the Fiscal Reporting and Accounting tab on CountyLink lately? Some recent changes have been made which we hope you will find “user friendly” and the topics added are useful.

The major change made was that to the far left side of the page, you now can click on the category heading and be taken to the top of that section instead of having to scroll down through the whole listing. Two new categories (topics) have been added to this section – FOD Training and Miscellaneous. Under the FOD Training section you will find the printed materials for each training we have conducted and also a link to the recorded (archived) training. Under the miscellaneous tab, there are currently two items - 2014 AMSSA Conference Memo and the 2015 AMSSA Conference Memo.



If you have any questions or suggestions about CountyLink and the Fiscal Reporting & Accounting section, please contact Chris Ricker at (651) 431-3545 or [chris.ricker@state.mn.us](mailto:chris.ricker@state.mn.us)

## 13. Health & Human Services Finance Trainings

Our second training was held on September 23<sup>rd</sup>. The title of the training was “The SEAGR Report and How Grants and Allocations Tie to SEAGR”. The training was recorded and is available to be viewed at:

<http://stream5.video.state.mn.us:8080/strobe/DHS-seagrreport092315.html>

Also, the links to the printed materials and the recorded training can be found on CountyLink, under the Fiscal Reporting & Accounting tab and then under the FOD Training section.

#### **14. Financial Operations Division Bulletins Published Since Last Fiscal Memo**

- Bulletin 15-32-08 (August 20, 2015) Income Maintenance Random Moment Study (IMRMS) Operational Procedures; Programs/Activity Definitions. If you have any questions on this bulletin, please contact Heide Moris at (651) 431-3774 or [heide.moris@state.mn.us](mailto:heide.moris@state.mn.us)
- Bulletin 15-32-09 (September 15, 2015) Changes to DHS BRASS Manual for Calendar Years 2016 – 2017. If you have any questions on BRASS Codes and Definitions, please contact Mary Klinghagen at (651) 431-4792 or [mary.klinghagen@state.mn.us](mailto:mary.klinghagen@state.mn.us) and for questions on BRASS accounting, the SEAGR Report (DHS-2557) and other financial reporting, please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)
- Bulletin 15-32-10 (September 18, 2015) Local Collaborative Time Study (LCTS) Operations and Activity Codes. If you have any questions on this bulletin, please contact DiAnn Robinson at (651) 431-3739 or [diann.robinson@state.mn.us](mailto:diann.robinson@state.mn.us)

#### **15. Next quarterly memo publication date**

The publication date of the next quarterly memo is scheduled for Friday December 18, 2015. This is a little earlier than usual due to the holidays and staff vacations. If you have any suggestions on quarterly memo topics, please contact Julie Spurgeon. Also, if you are receiving this memo and would no longer like to receive it, or know someone that you would like to receive it directly from DHS, please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)